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SUBJECT: HONG KONG: CHINA'S FIRST DEMOCRACY?

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[1](#)E. BEIJING 0206

Classified By: Consul General James B. Cunningham; Reasons 1.4 (b, d)

[1](#)1. (C) Summary: The December 29 National People's Congress Standing Committee (NPCSC) decision setting the timetable for implementation of universal suffrage has refocused the political debate in Hong Kong, deftly defusing the issue. The Hong Kong Government (HKG) appears confident that it has secured Beijing's backing and that the majority of the public accepts the decision. In recent weeks, Chief Executive (CE) Donald Tsang has encouraged the Legislative Council (Legco) and the people of Hong Kong to "focus on what is possible, rather than what is not." Secretary for Constitutional and Mainland Affairs Stephen Lam told the Consul General that the process of preparation, public consultation, and legislative approval of a new reform proposal for the 2012 CE and Legco elections could extend into 2010. The pro-Beijing Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) also appears satisfied with the NPCSC decision and focused on preparations for the crucial September 2008 Legco election. DAB leaders believe Beijing's decision has defused the universal suffrage debate in Hong Kong considerably, leaving them free to focus on grass-roots socio-economic issues and to benefit from their strong advantages in financial and human resources. Similarly, the pro-business Liberal Party (LP) has publicly endorsed the NPCSC decision as a "unique opportunity to be the first part of China to enjoy full democracy."

[1](#)2. (C) Summary, continued: The pan-democratic parties, in contrast, are struggling to reconcile sharply disparate views on strategy and tactics. Mainstream leaders continue publicly to demand full reform by 2012, but some privately acknowledge the pragmatic need to get the best deal possible for that year while also ensuring that "true democracy" is realized in 2017 and 2020. More radical elements view the official legislative and policy process as increasingly useless and appear intent on shifting the battleground to public opinion and the media. Democrats of all persuasions fear that the central and Hong Kong governments might carefully structure political reform to produce "fake democracy" in 2017 and 2020. While continuing to work on constitutional reform over the next decade, however, the democrats also must focus on the more immediate and equally crucial issue of the September Legco elections. If the "pro-Beijing united front" realizes a net gain of two or three seats, the democrats could lose their ability to block unacceptable amendments to the electoral procedures contained in the Basic Law.

13. (C) Summary, continued: Several moderates with cross-factional ties, including Anson Chan and Allen Lee, have publicly encouraged the two sides to compromise and cooperate. Others are working in private, behind the scenes, where any real discussion will have to take place. Just prior to the NPCSC decision, Chan told the Consul General she believed real progress could be made by 2012, even if universal suffrage was excluded. Since then, she has said she was prepared to accept some compromise on universal suffrage in the near term (i.e., 2012), if doing so could help forge a consensus for 2017 and 2020. Lee worries that the fragmented democratic side, encumbered by their continuing distrust of the central government, might be unable to seize this opportunity for universal suffrage. Successful resolution of the reform debate within the NPCSC framework will require compromise, which in turn depends upon a degree of mutual trust among the concerned parties and the Hong Kong public that does not presently exist. End Summary.

14. (C) Comment: In the two years since they triumphantly maintained a united front to block CE Tsang's previous proposal for political reform, which would have marginally improved the electoral mechanisms for the 2007 CE and 2008 Legco elections, Hong Kong's pan-democratic parties have suffered from inter- and intra-party bickering over political strategies, candidate selection, and substantive policy issues. In large part due to this often-public squabbling, as well as their general unwillingness to move much beyond their traditional focus on democratization and human rights, their public images also have suffered. Faced with impending disaster, most of the democrats were able briefly to set aside their differences to support Anson Chan's successful run in the December 2 Legco by-election (ref c). For the

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next eight months, however, the democrats must find a way to regain that common sense of purpose and work together for the September Legco election. Lack of coordination and failure to address the concerns of Hong Kong's common citizens could lose them some of their 19 geographical constituency seats (they also hold seven functional constituency seats) to the pro-establishment camp, costing the democrats their one-third minority blocking power for new proposals.

15. (C) Comment, continued: By contrast, the HKG and the pro-establishment political parties appear content, for good reason, to project images of competence, rationality, and reasonableness to the famously pragmatic Hong Kong voters. On electoral reform, they feel they have plenty of time to devise achievable targets acceptable to Beijing and the Hong Kong people for upcoming elections in 2012 and beyond. Anson Chan recently noted to the Consul General that she saw a tendency in both the HKG and the "left" (DAB and its allies) to aim for a system dominated by one party, somewhat like Singapore, which means eroding the democrats and pushing them into obstructionism, to which they (the democrats) already are prone. At the same time the political parties, especially the DAB, will continue to work assiduously at the local and district levels to prepare for the September Legco election. Their policy platforms likely will frame the political reform debate in their terms, while also publicizing well-developed positions on the full range of socio-economic issues - education, health care, environment, infrastructure, benefits for the elderly - that most voters care about, perhaps even more than democracy. They accurately note that Beijing now has set the timetable for implementation of universal suffrage, albeit with some potential gaps, and it is Hong Kong's responsibility to produce a roadmap to reach that destination. If Hong Kong fails to complete any of the various stages of that task, then the eventual achievement of full democracy in some form would be pushed further into the future. In that case, the HKG, its political allies, and perhaps even the public would again blame the pan-democrats. We believe many democrats, including leaders like Martin Lee, understand this dynamic,

and are grappling with how to respond to both the challenges and opportunities created by the NPCSC decision. End Comment.

#### Timetable Set, Roadmap to Follow

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¶6. (C) The December 29 NPCSC decision (refs a, b) authorizing limited electoral reform in Hong Kong for 2012, and some form of universal suffrage for the CE election in 2017 and the Legco election sometime thereafter (presumably 2020), has refocused the political debate in Hong Kong. Although many pan-democratic leaders, supported by a significant minority of the public, continue publicly to demand full universal suffrage in 2012, most of them realize that the NPCSC almost certainly will not liberalize the schedule any further. As Civic Party (CP) Secretary General Joseph Cheng recently told us, the democrats continue to hope for a "small miracle," perhaps through a leadership change in Beijing. More realistic, however, are recent comments by NPC deputy, Basic Law Committee member, and former DAB Vice Chair Maria Tam, who said that "every single word" of the NPCSC decision was legally effective, and any lingering doubts about the decision's validity could only further delay implementation of universal suffrage. As "South China Morning Post" (SCMP) columnist Frank Ching (a long-time supporter of democracy) wrote shortly after the decision was announced: "It is pointless, now, to continue insisting on dual universal suffrage in 2012: that is not going to happen."

#### HKG Relaxed, Plans Consultations in 2008

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¶7. (C) Given this clarity, the HKG now appears relaxed and confident, knowing that Beijing has set a timetable and has asked Hong Kong to produce a roadmap. Secretary for Constitutional and Mainland Affairs Stephen Lam likened the pressures the government felt in the run-up to the NPCSC decision to "cowboys being encircled in the wild west, where it is very important to stick to your guns and wait for the cavalry." "In some ways," he told the Consul General on January 28, "the universal suffrage timetable is the cavalry." According to Lam, the HKG plans to spend most of 2008 "exploring more ideas" to produce a plan for implementation of universal suffrage according to the time frame set by the NPCSC, focusing on interim reforms for the 2012 CE and Legco elections. A task force under the Commission on Strategic Development (CSD) will begin meeting in February and by the fourth quarter of this year, Lam hopes

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to have the HKG plan ready for another round of public consultations. He dismissed as "too simplistic" any proposal to put the rejected 2005 plan back on the table for consideration. "We need to get the various sectors and political parties interested in putting forth what they think would be in their interest to either expand the membership of the election committee or make changes to the electorate base so it would be even more representative compared to what we have now or what we proposed previously." While Lam has said that the HKG would present its proposal sometime in 2009 to the Legco members, two-thirds of whom must approve it before submission to the NPCSC, he told the Consul General that the process easily could be pushed back to 2010. If the NPCSC then concurs, Hong Kong could proceed with actual amendment of the Basic Law in time for the 2012 elections. Lam made it clear that the HKG would prefer to push concrete work on electoral reform for the 2017 CE election until after the 2012 election. In other words, details for actual universal suffrage for the CE won't be hammered out within the next five years.

¶8. (C) Since the NPCSC decision, CE Tsang has encouraged the people of Hong Kong to "focus on what is possible, rather than what is not." On January 17, he urged Legco to accept the political reality of the NPCSC decision and to stop bickering over impossible demands. He told the legislators

that continuing skepticism of the sincerity of the central and Hong Kong governments was "uncalled for and unconstructive." Tsang said the timetable established by the NPCSC decision was "unbreakable" and he urged the pan-democrats not to view the decision with suspicion. The election of the CE in 2017 would be under a "one person, one vote" system in line with the principles of universal suffrage. He divided the path to democracy into four inter-related steps: first, reform of the electoral systems for CE and Legco in 2012; second, further reform for the 2016 Legco election; third, implementation of full universal suffrage for the CE in 2017; and fourth, universal suffrage for Legco in 2020. Tsang acknowledged, however, that failure to realize universal suffrage for the CE in 2017 could delay full reform for Legco beyond 2020.

#### Key Issues: CE Nomination, Legco Functional Constituencies

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¶9. (C) The democrats complain that the NPCSC decision leaves some key issues unresolved. They fear the central and Hong Kong governments might carefully structure political reform to produce "fake democracy" in 2017 and 2020. For the CE election, their principal concern is what nominating mechanism would replace the existing Chief Executive Election Committee (CEEC), a complicated system under which various groups elect 800 members, who then select the CE by open ballot. The democrats fear that a similar system, even with substantially broader participation, could be designed to "filter" potential candidates and exclude those whom Beijing would find unacceptable from even running. As Martin Lee told the Consul General on January 19, the pan-democrats want a system under which an Alan Leong or an Anson Chan could run for Chief Executive - even if they could not win.

¶10. (SBU) For Legco, the democrats continue to demand abolition of the functional constituencies (FCs), which currently elect half of Legco's sixty members, because they view them as fundamentally undemocratic. In his December 12 report to the NPCSC, CE Tsang noted that there was no mainstream view on resolution of this issue and offered several reform options, but most democrats continue to insist on complete abolition of the FCs. Stoking the democrats' suspicions, Deputy Director Zhang Xiaoming of the State Council's Hong Kong and Macau Affairs Office recently opined that the FC seats were valuable because they represent 97 percent of Hong Kong's gross domestic product.

#### Polls: Majority Satisfied, Sizable Minority Persists

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¶11. (SBU) Public opinion polls conducted since the NPCSC decision seem to support the HKG's growing confidence, although it is clear that a sizable minority of the people continue to prefer universal suffrage in 2012. A Chinese University of Hong Kong poll conducted in early January found that 72 percent of respondents considered the NPCSC decision "acceptable," versus 21 percent who found it "unacceptable." Significantly, only 36 percent supported continuation of the fight for universal suffrage in 2012, while 69 percent believed the central government was "sincere" and responsive regarding universal suffrage for Hong Kong. A few days

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later, a survey by the Hong Kong Research Association found that 65 percent of respondents were satisfied with the NPCSC decision, up six percentage points since a poll by the same group at the end of December. A third poll, commissioned by the pro-democracy "Apple Daily" newspaper and with questions framed somewhat differently, found that 43 percent continued to support universal suffrage for 2012.

#### Pro-Establishment Parties Confident

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¶12. (C) Like the HKG, the DAB appears confident and content

to concentrate on preparations for the September 2008 Legco election. Its leaders believe Beijing's decision has boosted their already strong prospects for that contest, because that decision has largely defused the universal suffrage debate in Hong Kong. Relieved of much of the burden of defending and justifying Hong Kong's lack of progress toward democracy in the decade since reversion, the party and its allies can utilize their strong advantages in financial and human resources, and grass-roots organization, to mobilize their supporters for the election. (Note: This is good news for the DAB. In a story he related to Martin Lee just before the NPCSC decision, former DAB Chairman and key strategist Jasper Tsang Yok-sing said he had told Beijing officials: "If you

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don't give us something positive in 2017, then you can run for re-election in Hong Kong, not me!")

¶13. (SBU) The pro-business Liberal Party (LP) has publicly endorsed the NPCSC decision and urged other political parties to seize the opportunity to advance democratization. In a January 22 "SCMP" column, LP Chairman James Tien characterized the situation as "a unique opportunity to be the first part of China to enjoy full democracy." Hong Kong now had a "clear timetable for democracy and the chance to determine our own political future" that would include "positive change" for the 2012 CE election, followed by "expanding the base of FCs for the 2012 and 2016 Legco elections." Separately, Tien told the "SCMP" on January 20 that the FCs (of which his party holds eight, as well as two GCs) should be scrapped by 2020, a controversial statement as Tien's party is widely viewed as the greatest beneficiary of the FC structure. Taking these steps would enable Hong Kong to realize universal suffrage in 2017, which Tien described as "an opportunity that is by no means guaranteed." He also urged the democrats and the public not to focus excessively on details, such as whether the CE nominating committee had 1,200 or 1,600 members, which he said would have no effect on the outcome of the election.

#### Democrats Struggle to Respond

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¶14. (C) Long before the December 29 decision, the democrats had struggled to maintain a united front for the December 2 Legco by-election, in which pro-democracy independent Anson Chan defeated pro-government independent Regina Ip (ref c). In the months before that race, the various factions had argued over their choice of candidate, with the more radical members eventually agreeing to support Chan because she appeared to be the only one capable of defeating Ip, who benefited from strong support from the pro-establishment parties and, allegedly, the central government in Beijing. That sense of unity had grown stronger when the DAB and its allies soundly thrashed the democrats in the November 18 district council election (ref d); the democrats, near panic, coalesced around Chan and energized enough of their supporters to turn out and elect her.

¶15. (C) The post-election holiday for the pan-democrats was brief. On December 12, CE Tsang culminated the extended "Green Paper" process with his formal request to the NPCSC for a decision on proceeding with political reform. Although some democrats complained that Tsang had inaccurately conveyed Hong Kong's true public sentiment on democratization, most conceded he had told Beijing frankly that a majority of the Hong Kong people preferred to have full democracy as soon as possible. By this time, the pan-democrats were clearly on the defensive, striving to maintain their unity and clarity of purpose in the face of a rapidly evolving situation.

¶16. (C) Along with most of Hong Kong, the democrats were taken by surprise when the December 29 NPCSC decision essentially provided a full timetable for political reform, albeit with some significant areas of vagueness. Some democrats criticized the decision's lack of detail as leaving



room for further postponements, but others acknowledged that the NPCSC clearly had put the burden on the people and government of Hong Kong to produce a reform package - or rather a series of packages for 2012, 2017, and beyond - that could gain the endorsement of the CE and at least two-thirds of Legco, before being returned to the NPCSC for final approval, as required by the Basic Law.

"Walk On Two Legs"

17. (C) Civic Party Secretary General Joseph Cheng told us recently that the pan-democrats were encouraged and heartened by their January 13 demonstration, during which core supporters - led by Anson Chan, Martin Lee, other legislators, "Apple Daily" publisher Jimmy Lai, and Cardinal Joseph Zen - turned out in better-than-expected numbers (10-12,000), and also were "relatively generous" with financial contributions to the cash-strapped parties. The "theme" of that demonstration was "persisting with dual universal suffrage in 2012, no fake democracy in 2017." Cheng admitted, however, that the pan-democrats remained divided and coordination among the parties was "difficult," so they had decided to pursue a "walk on two legs" strategy. This approach had become essential to accommodate the conflicting views of moderates and radicals and keep the fragile alliance together.

18. (C) First, Cheng said the democrats would "fight very hard" and "not give an inch" - publicly - on their demand for dual universal suffrage in 2012. As Democratic Party (DP) legislator Cheung Man-heung told CE Tsang during his January 17 question-and-answer session at Legco, "to us, 2012 is still the best . . . we won't give up until it has become hopeless." Second, they simultaneously would work to maximize the speed and scope of democratization within the framework established by the NPCSC decision, seeking to ensure genuine universal suffrage in 2017 and 2020. For both "legs," the democrats will strive to influence public opinion through demonstrations and the media. Cheng said that overall he was "slightly optimistic," in that he believed the Hong Kong public understood the importance of democracy as well as the "loopholes" left by the NPCSC, but he feared the media might lose interest, which would be "dangerous."

19. (C) Leaders of the two main democratic parties revealed at a January 19 luncheon with Senate staffer Paul Grove at the Consul General's residence just how far apart they were on fundamental electoral strategy. Alan Leong of the Civic Party insisted that the democrats had to offer more than just democracy to Hong Kong's common voters, particularly the less well-off: "They have to see they are benefiting materially from our platform." Martin Lee, former chair and current moral leader of the Democratic Party, stated clearly that was not the DP's goal: "Our job is to fight to establish a truly democratic system in Hong Kong - that's what we stand for."

20. (SBU) Several of the more moderate democrats, including Confederation of Trade Unions (CTU) Legco representative Lau Chin-shek and Association for Democracy and People's Livelihood (ADPL) acting chairman Bruce Liu, already have publicly called for compromise on electoral arrangements for 2012, to pave the way for introduction of universal suffrage for the CE in 2017. Lau called on all the political parties to avoid a repeat of 2005, when the democrats' blockage of CE Tsang's reform package left Hong Kong voters saddled with the

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existing, unsatisfactory system. Liu said the "NPCSC decision is a reality" and "more rallies and hunger strikes will not change it."

Radicals Want Action

¶21. (C) The more radical democrats, led by the LSD, the Civil Human Rights Front, and The Frontier, are angry and seemingly have abandoned the legislative arena and consultation process. LSD Chairman Wong Yuk-man has promised to sever ties with the other pan-democratic parties if they back away from their demand for universal suffrage in 2012. Shortly after the NPCSC decision, LSD Legco member Albert Chan urged democrats to abandon their rational, non-confrontational approach, and instead vote against all government bills and proposals in Legco and boycott all elections, to attract international attention. Chan told us recently that the democrats had been "too rational for twenty years," that the NPCSC decision was a "slap in the face," and that they should break the law if necessary to create international news. Chan said he and the LSD wanted to move the "battleground"

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from Legco to Hong Kong society at large. Another activist group, the "Democratic Development Network" led by Reverend Chu Yiu-ming, also has announced they would reject any HKG reform proposal for 2012 that would not pave the way to a genuine one-person, one-vote system for the CE in 2017 and Legco in 2020. Chu questioned the recent opinion poll finding that more than 70 percent of Hong Kong residents accepted 2017-20 for implementation of full suffrage, opining that "people accept because they feel helpless," a situation he believed was "not conducive to governance." (Comment: While the democrats' stubborn sticking to the demand for universal suffrage in 2012 - despite the clear NPCSC decision to the contrary - seems fruitless, even irrational, veteran political commentator Allen Lee told the Consul General the democrats fear that giving up this demand will split their ranks even further and alienate the minority core of their staunchest supporters. Others believe that sticking on 2012 with no sign of movement will reinforce the "obstructionist" image and lose moderate voters. End Comment.)

#### September Elections Crucial

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¶22. (C) Joseph Cheng of the Civic Party told us that for the next eight months, in addition to working for universal suffrage, the pan-democrats also must prepare for the "crucial battle" of the September Legco election. If the "pro-Beijing united front" is able to gain two or three seats at the expense of the democrats, they then might be able on key issues to sway two or three democrats to switch sides, in which case the pan-democratic camp would be "marginalized," as it would lose the ability to veto and block new proposals.

At this time, however, it is not at all clear that the various groups within the pan-democratic camp will be able to field a coordinated slate of candidates. If they fail to do so, they risk splitting the pro-democracy vote and losing seats to the pro-establishment parties, which are almost certain to work together to maximize their success. Recently, leaders of both the Civic Party and the LSD indicated publicly that the democratic parties already were finding it difficult to agree on joint candidates in some of the geographic constituencies, although the FCs appear less problematic.

#### Who Can Mediate?

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¶23. (C) Several moderates with cross-factional ties, including pro-democracy independent Legco member Anson Chan, NPC delegate and former LP leader Allen Lee, and Executive Councilor Anthony Cheung, have publicly encouraged the two sides to compromise and cooperate. Just prior to the NPCSC decision, Chan told the Consul General she believed real progress could be made by 2012, even if universal suffrage was excluded. Since then, she has publicly challenged the HKG and the democrats to work together. During a January 20 talk show appearance, Chan said she was prepared to accept some compromise on universal suffrage in the near term (i.e.,

2012), if doing so could help forge a consensus for 2017 and 2020. She urged the HKG to listen sincerely to the views of different sectors in Hong Kong, then produce a universal suffrage proposal including a clear roadmap that would be acceptable to all political parties. Lee worries that the fragmented democratic side, encumbered by their continuing distrust of the central government, might be unable to seize this opportunity for universal suffrage. Cheung, acknowledging the public's strong demand for universal suffrage and its disappointment with the long timeframe set by the NPCSC, has urged all parties to reach a "historical compromise" and use 2012 as a "midway station," with a broader electoral base for the CE Election Committee and an increase in GC seats for Legco, on the way to full democratization in 2017 and 2020.

#### Lack of Trust Impedes Compromise

24. (C) Successful resolution of the reform debate within the NPCSC framework will require compromise, which in turn depends upon a degree of mutual trust that does not presently exist. In a recent radio broadcast, CE Tsang observed that "political progress in Hong Kong is about building trust," which he said "takes much time and effort, and can be easily shattered." The central government certainly does not trust most of the pan-democratic leaders, some of whom still are not allowed even to travel to the mainland. Beijing also may be somewhat leery of CE Tsang and his team, most of whom were trained by and worked for the British colonial

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administration. The HKG, which is hampered by its own limited political power base, does not trust many of the pan-democrats, especially the radicals, whom it fears are intent on blocking anything short of immediate full democracy. The DAB, the LP, and the HKG, although they cooperate on many issues including electoral reform, constitute an uncomfortable alliance due to their fundamentally different power bases and ideologies. The pan-democrats do not trust the HKG, which they believe is at best excessively bureaucratic and resistant to change, and at worst completely subservient to the central government in Beijing. Finally, the general public often views HKG officials as arrogant, inaccessible and divorced from reality. One recent study found that many people viewed talking to officials like "talking to the wall."

Cunningham